

SENATE BILL REPORT

SB 6015

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, February 25, 2009
Ways & Means, March 2, 2009

Title: An act relating to the director of commercialization and innovation within the office of the governor.

Brief Description: Establishing the director of commercialization and innovation within the office of the governor.

Sponsors: Senators Murray, Delvin and Marr.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/19/09, 2/25/09 [DPS-WM].
Ways & Means: 2/27/09, 3/02/09 [DP2S, w/oRec].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 6015 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Delvin, Eide and Kilmer.

Staff: Philip Brady (786-7460)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6015 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Hewitt, Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Murray, Pridemore and Rockefeller.

Minority Report: That it be referred without recommendation.

Signed by Senators Carrell, Honeyford, Parlette and Schoesler.

Staff: Steve Jones (786-7440)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: Washington has a number of programs and entities directed at the creation of new technologies and the encouragement of commercialization, both in the life sciences and general technology. Examples include the Washington Technology Center, the Life Sciences Discovery Fund, high tech research and development tax credits, and UW TechTransfer.

Multiple agencies also have jurisdiction over parts of innovation and commercialization, including the Department of Community, Trade, and Economic Development; the Higher Education Coordinating Board; the Workforce Training Board; the Economic Development Commission; and the Department of Revenue. Advocates have suggested that these agencies may inadvertently work at cross purposes.

Summary of Bill (Recommended Second Substitute): The Director of Commercialization and Innovation is created within the Office of the Governor. The director has a number of duties dealing with life sciences and technology, including investigating targeted investment strategies; liaising between communities, government, and business; enhancing commercialization and innovation strategies; monitoring and mitigating state policies, bills, and fiscal affairs; working with the Economic Development Commission to align efforts with the overall innovation and commercialization strategy with Washington's comprehensive plan for economic development; and conducting market analysis and competitive review.

The director must report to the Governor and the Legislature annually, with an initial report due December 1, 2009.

The bill is contingent on funding in the State Budget Act.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Second Substitute): Creates a Director of Commercialization and Innovation, rather than an advisor. The bill is made contingent on funding in the State Budget Act.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended First Substitute): Creates a Governor's Adviser on Commercialization and Innovation, rather than a director, in the Governor's Office. Aligns the work of the adviser with the state's comprehensive plan for economic development.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Economic Development, Trade & Innovation): PRO: This is a good way to start recovery while we wait for a new Department of Commerce. A director of commercialization and innovation would help ensure Washington remains a leader in innovation. The next ten years will be an explosion

of information technology and communications, and Washington should be a leader. Washington already leads in many areas, but there is room to grow. This will support that growth by leveraging potential and supporting innovative people. Information technology employs 330,000 and life sciences 20,000. Innovation drives the Washington economy. While existing agencies are doing good things, it would be good to have a single coordinator.

Persons Testifying (Economic Development, Trade & Innovation): PRO: Senator Murray, prime sponsor; Chris Rivera, Patt McKinnell Davis, Washington Biotechnology and Biomedical Association; Lew McMurrin, Washington Technology Industry Association.

Staff Summary of Public Testimony on First Substitute Bill (Ways & Means): PRO: It is desirable for Washington State to recruit and develop high-technology and biotechnology companies, and this bill will help Washington become more competitive with other states that are recruiting heavily in this field. This bill is based on the recommendations of a biotechnology workgroup. Eight other states have established similar positions.

Persons Testifying (Ways & Means): PRO: Senator Murray, prime sponsor; Vicki Austin, Washington Biotechnology and Biomedical Association.